



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0310950

APPLICATION OF CARRIZO (EAGLE FORD) LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE WRIGHT RANCH CPF, EAGLEVILLE (EAGLE FORD-1) FIELD, LA SALLE COUNTY, TEXAS

HEARD BY: Karl Caldwell – Technical Examiner
Lynn Latombe – Administrative Law Judge

HEARING DATE: July 10, 2018
RECORD CLOSED: July 12, 2018
CONFERENCE DATE: September 18, 2018

APPEARANCES: **REPRESENTING:**

APPLICANT: Carrizo (Eagle Ford) LLC

George Neale
Rick Johnston

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Carrizo (Eagle Ford) LLC ("Carrizo") requests a Statewide Rule 32 exception renewal for the Wright Ranch East central production facility (CPF), Flare Permit No. 32129. Notice of the application was provided to all operators in the Eagleville (Eagle Ford-1) Field and no protests were received. The application is unopposed, and the Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend approval of a Statewide Rule 32 exception renewal for the Wright Ranch CPF as requested by Carrizo.

DISCUSSION OF THE EVIDENCE

Statewide Rule 32 governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission. Specifically, Statewide Rule 32(j) *Opportunity for hearing* states that an operator may request a hearing on any

application for an exception, or exception renewal required by this section. Carrizo was previously granted Flare Permit No. 32129 for the Wright Ranch East CPF, with an effective date of November 3, 2017 and an expiration date of May 1, 2018. On April 19, 2018, the Commission received a hearing request from Carrizo to extend its current Statewide Rule 32 exception for the Wright Ranch East CPF, Flare Permit No. 32129. Carrizo requests to extend the current Statewide Rule 32 exception for a period of two years, (May 2, 2018 to May 2, 2020), to flare a maximum of 4,000 Mcfd.

Under normal conditions, all gas produced from these wells will be sold. At times, intermittent flaring may be necessary due to operational upset situations. System upset situations arise due to gas pipeline-related issues, including pipeline pressure constraints, and periods when the gas does not meet the pipeline specifications for H₂S limits, CO₂ limits, or water dew point limits. Operational issues also periodically arise due to compressor downtime.

Carrizo agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order shall be final and effective on the date a Master Order relating to this Final Order is signed.

FINDINGS OF FACT

1. Notice of this hearing was given to current operators in the subject field at least ten days prior to the date of hearing. There were no protests to the application.
2. On April 19, 2018, the Commission received a hearing request from Carrizo to extend the current Statewide Rule 32 exception for the Wright Ranch East CPF.
3. Carrizo was granted Flare Permit No. 32129 for the Wright Ranch East CPF, with an effective date of November 3, 2017 and an expiration date of May 1, 2018.
4. Carrizo requests to extend its current exception to Statewide Rule 32 for a period of two years.
5. Under normal circumstances Carrizo will be able to sell the gas. Due to system upsets, intermittent flaring may be necessary.
6. Authority to flare gas at times when the gas cannot be sold will allow Carrizo to continue to produce the wells.
7. Carrizo agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order shall be final and effective on the date a Master Order relating to this Final Order is signed.

CONCLUSIONS OF LAW

1. Notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Title 16, Texas Administrative Code 3.32(h) (4) provides for an exception for more than 180 days and for volumes greater than 50 Mcf per day.
4. Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and the consent of the applicant, this Final Order is final and effective when a Master Order relating to this Final Order is signed.

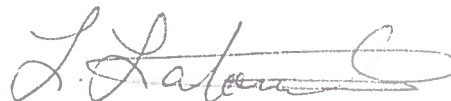
EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission grant an exception to Statewide Rule 32 for the Wright Ranch East CPF, for a period of two years, (May 2, 2018 to May 2, 2020), to flare a maximum of 4,000 Mcfd as requested by Carrizo.

Respectfully submitted,



Karl Caldwell
Technical Examiner



Lynn Latombe
Administrative Law Judge